Governement of Saskatchewan

Financial Statement 2003-2004

Saskatchewan Learning

School Division Tax Loss Compensation Fund

Saskatchewan Centennial 2005

105-00263/

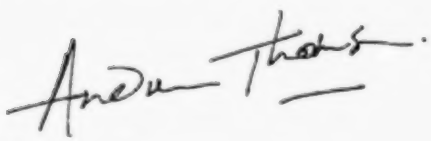
Letter of Transmittal

The Honourable Dr. Lynda M Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour,

I have the honour to submit for your consideration the Financial Statements of the School Division Tax Loss Compensation Fund for the year ending March 31, 2004.

Respectfully submitted,



Andrew Thomson
Minister of Learning

SCHOOL DIVISION TAX LOSS COMPENSATION FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2004

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the School Division Tax Loss Compensation Fund as at March 31, 2004 and the statement of operations and net assets for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 20, 2004

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

School Division Tax Loss Compensation Fund
Statement of Financial Position
As at March 31

	2004	2003
Assets		
Due from General Revenue Fund (Note 4)	$ 6,168,356	$ 4,353,262
Accounts receivable	45,594	144,309
	$ 6,213,950	$ 4,497,571
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 1,483,792	$ 587,224
Net assets (Statement 2)	4,730,158	3,910,347
	$ 6,213,950	$ 4,497,571

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Statement of Operations and Net Assets
For the Year Ended March 31

	2004	2003
Revenue		
Contributions	$ 2,745,180	$ 1,336,103
Interest income	133,516	100 847
	2,878,696	1,436,950
Expenses		
Compensation to school divisions (Note 7)	2,058,885	1,002,077
Surplus for the year	819,811	434,873
Net assets, beginning of year	3,910,347	3,475,474
Net assets, end of year - to Statement 1	$ 4,730,158	$ 3,910,347

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Notes to the Financial Statements
March 31, 2004

1. Purpose and Creation of the Fund

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act* through *The Treaty Land Entitlement Implementation Act.* The amendment came into force on June 22, 1993. Order in Council #840/94 established regulations to administer the Fund on December 14, 1994.

The Fund is administered by the Department of Learning on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (Government Relations and Aboriginal Affairs) and federal (Indian Affairs and Northern Development Canada) governments as part of the Treaty Land Entitlement Framework Agreement. Payments are made to affected school divisions according to the formula stated in the regulations.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Related Party Transactions

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Learning. Included in revenue is $823,554 (2003 - $400,831) from Government Relations and Aboriginal Affairs, of which $13,678 (2003 - $43,293) was receivable at March 31, 2004.

4. Due from the General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. The Fund's interest is calculated and paid from the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for the year ended March 31, 2004 is 2.79% (2003 - 2.62%).

5. Financial Instruments

The Fund's financial instruments include due from General Revenue Fund, accounts receivable and accounts payable. Due to the immediate or short-term nature, the fair value of these financial instruments approximates their carrying values.

6. Cash Flow Statement

A cash flow statement has not been presented since the cash flow information is readily apparent from the other financial statements.

7. Compensation to School Divisions

Organization	2004	2003
Aspen Grove School Division #144	$ 35,293	$ 170,470
Battle River School Division #60	8,285	1,147
Battlefords School Division #118	371,662	103,123
Biggar School Division #50	10,632	47,255
Cupar School Division #28	21,081	106,802
Indian Head School Division #19	6,584	---
Landswest School Division #123	26,547	73,058
Meadow Lake School Division #66	1,080,215	--
Melville-Deer Park School Division #143	77,353	66,417
Northern Lakes School Division #64	7,386	17,945
Parkland School Division #63	3,983	---
Paynton School Division #102	---	4,502
Potashville School Division #80	22,431	99,765
Prairie View School Division #74	---	41,493
Saskatchewan Central School Division #121	21,648	98,868
Saskatchewan Valley School Division #49	3,854	36,739
Scenic Valley School Division #117	104,264	32,470
Shamrock School Division #38	10,972	80,257
Turtleford School Division #65	246,695	7,708
Yorkdale School Division #36	---	14,058
Total	$ 2,058,885	$ 1,002,077